

ARTICLE APPEARED,
ON PAGE AS

THE WASHINGTON POST
5 August 1981

Missing McNell Contacts Associates

By Edward Walsh
Washington Post Staff Writer

One of the missing McNell brothers, whose allegations led to the resignation of a top CIA official, has contacted two business associates and said he and his brother will re-surface once publicity about them dies down.

Robert T. Blair, a former director of the McNell brothers' Triad Energy Corp., and Drury Gallagher, who is now in charge of the company, confirmed that Thomas R. McNell telephoned them last week.

Blair said that McNell called him last Thursday and in a one-minute conversation was "apologetic for the hassle this has caused me." He said McNell "wants the news [about the brothers] to die down" before re-emerging in public.

Gallagher said he was called by McNell last Wednesday. He refused to discuss details of the conversation.

Thomas McNell and his brother, Samuel F. McNell, dropped out of sight about two weeks ago. Officials of Triad, a New York-based oil and gas drilling concern, halted trading in the company's stock and have been going over the firm's financial accounts.

FBI agents are searching for the McNells. The bureau got jurisdiction in the case after Triad directors reported that about \$3 million had been mysteriously withdrawn from its bank account. The Securities and Exchange Commission ordered a 10-day halt in trading of Triad stock on July 23.

The SEC suspension ended July 31, but since then the National As-

sociation of Securities Dealers has removed Triad from its lists of stocks that are traded.

The McNell brothers' allegations against CIA clandestine service chief Max Hugel were published in July in The Washington Post. They charged that Hugel engaged in improper or illegal stock trading practices to boost the stock of Brother International Corp., a wholesale distribution firm headed by Hugel from 1954 to 1975.

To buttress their allegations, the McNells produced 16 secret tape recordings of some of their conversations with Hugel in 1974 and 1975 as well as some of their confidential business records.

Hugel denied the charges but resigned hours after they were published.

STAT